

**§ 57.110 Acquisition of facilities.**

In addition to the other requirements of this subpart the following provisions are also applicable to the acquisition of existing facilities:

(a) *Minimum standards of construction and equipment.* That a determination by the Secretary that the facility conforms (or upon completion of any necessary construction will conform) to the minimum standards of construction and equipment as set forth in appendix A of this subpart, shall be obtained before entering into a final or unconditional contract for such acquisition. Where the Secretary finds that exceptions to or modification of any such minimum standards of construction and equipment would be consistent with the purposes of part B of title VII of the Act and of the program, he may authorize such exceptions or modifications;

(b) *Estimated cost of acquisition and remodeling: suitability of facility.* Each application for a project involving the acquisition of existing facilities shall include in the detailed estimates of the cost of the project, the cost of acquiring such facilities, and any cost of remodeling, renovating or altering such facilities to serve the purposes for which they are acquired. Such application shall demonstrate to the satisfaction of the Secretary that the architectural, structural and other pertinent features of the facility, as modified by any proposed expansion, remodeling, renovation, or alteration, will be clearly suitable for the purposes of the program, and, to the extent of the costs in which Federal participation is requested, are not in excess of what is necessary for the services proposed to be provided in such facilities;

(c) *Determination of necessary cost.* The necessary cost of acquisition of existing facilities will be determined on the basis of such documentation submitted by the applicant as the Secretary may prescribe (including the reports of such real estate appraisers as the Secretary may approve) and other relevant factors;

(d) *Bona fide sale.* Federal participation in the acquisition of existing facilities is on condition that such acquisition constitutes a bona fide sale involving an actual cost to the applicant

and will result in additional or improved facilities for purposes of the program; and

(e) *Facility which has previously received Federal grant.* No grant for the acquisition of a facility which has previously received a Federal grant for construction, acquisition, or equipment shall serve either to reduce or restrict the liability of the applicant or any other transferor or transferee from any obligation of accountability imposed by the Federal Government by reason of such prior grant.

**§ 57.111 Additional conditions.**

The Secretary may with respect to any grant award impose additional conditions prior to or at the time of any award when in his judgment such conditions are necessary to assure or protect advancement of the approved project, the interest of public health or the conservation of grant funds.

**§ 57.112 Early termination and withholding of payments.**

Whenever the Secretary finds that a grantee has failed in a material respect to comply with the applicable provisions of the Act, the regulations of this subpart or the terms of the grant, he may, on reasonable notice to the grantee, withhold further payments, and take such other action, including the termination of the grant, as he finds appropriate to carry out the purposes of the applicable provisions of the Act and regulations. Noncancellable obligations of the grant properly incurred prior to the receipt of the notice of termination will be honored. The grantee shall be promptly notified of such termination in writing and given the reasons therefor.

#### APPENDIX A TO SUBPART B—MINIMUM STANDARDS OF CONSTRUCTION AND EQUIPMENT

The minimum standards of construction and equipment set forth below have been established by the Secretary as required by section 727 of the Act. In accordance with 5 U.S.C. 552(a)(1), the publications to which reference is made in this appendix A, unless otherwise indicated, are hereby incorporated by reference and made a part hereof. These documents are available for inspection at the Department's and Regional Offices' Information Centers listed in 45 CFR 5.31 and